THE HON'BLE SRI JUSTICE A.GOPAL REDDY

WRIT PETITION No.23734 of 2000

Date: 25.07.2007

Between:

M/s. Llyods Service Station and two others.

..... PETITIONERS

AND

1. M/s. IBP Company Limited,
   A Government of India Enterprise,
   Rep. By its Dy. General Manager (Marketing),
   10, Mayor V.R.Ramanathan Road, Chetpet,
   Chennai – 600 031 and another

.....RESPONDENTS

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ORAL ORDER:

The petitioners, who were appointed as dealers of the respondent-company and who have been distributing unleaded petrol, high speed diesel and lubricants from their respective outlets, filed this writ petition seeking a writ of *mandamus* declaring the action of the respondents in issuing the communication, dated 17.11.2000, calling upon them to stop sales of petroleum products to four wheelers, as illegal and arbitrary.

A counter-affidavit has been filed on behalf of the respondents stating that the petitioners were appointed as the dealers of the respondent company exclusively for two and three wheelers as MS retail outlets. It is also stated that after commissioning of the outlets, the petitioners approached the respondents seeking permission to sell high-speed diesel or HSD through their outlets. Though the respondent-company had not objected for supplying the same, in view of the policy adopted by the industry against adding HSD to lone MS outlets, the request made by the petitioners was turned down. It is further stated that the petitioners are in the habit of buying a mix of MS and HSD, and that three-wheelers, which are using only HSD, avoided the retail outlets resulting drop in the sale of M.S. Therefore, the respondent-company added HSD facility to MS outlets, and accordingly, permitted the petitioners to sell high speed diesel or HSD only to two and three wheelers. As per the policy, the said facility can be provided only to 2 and 3 wheelers and not to four wheelers. Therefore, the respondents withdrew the facility provided to the petitioners and did not permit them to lift the diesel from the depot, and accordingly passed the impugned order.

As per the policy adopted by the petroleum companies, HSD facility to MS outlet cannot be permitted unless they were appointed as MS outlets for four wheelers**.** Though they were permitted subsequent to their appointment, once the policy decision has been taken, I cannot compel the respondent-company to give permission to the petitioners for sale of HSD to the four wheelers contrary to the policy.

The learned counsel for the petitioners as well as the respondents submit that the IBP company has now been taken over by Indian Oil Corporation and the dealers are governed by the policy taken by the Indian Oil Corporation.

In view of the same, the respondents are directed to consider the case of the petitioners for supply of unleaded petrol, high speed diesel and lubricants from their respective outlets as per the policy invoked as on today.

The writ petition is accordingly disposed of. There shall be no order as to costs.

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A. GOPAL REDDY, J

Date: 25.07.2007

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